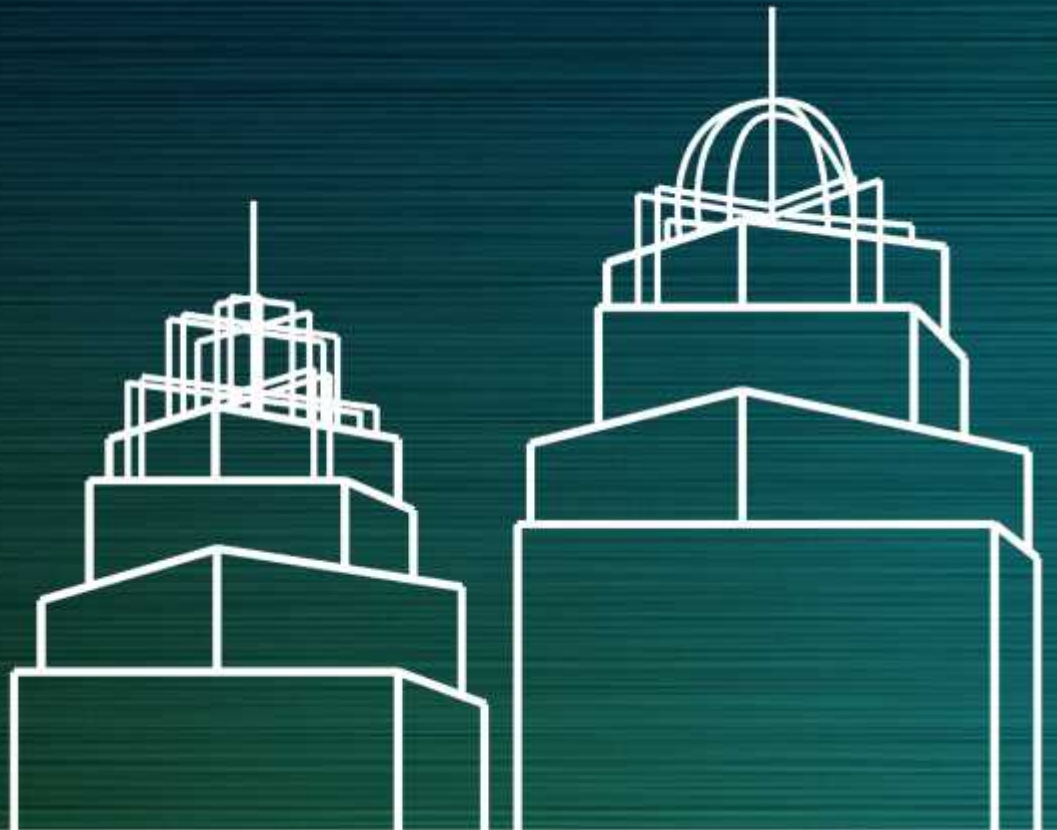


Incentive Policy Update

City Council Work Session

May 16, 2017



Background

- October 4, 2011: City Council adopted the Economic Development Incentive Policy
- October 18, 2016: City Council adopted revision of the impact fee section of its Code of Ordinances. Included provisions to incentivize affordable housing through the waiver of impact fees for projects meeting specific criteria.
- February 21, 2017: Adopted updated Comprehensive Plan
- With these updates, Staff has reviewed the existing Incentive policy to insure consistency with its adopted ordinances and long term goals.

Existing Incentive Program

- Targeted to large office users
- Requirements:
 - Result in the location, expansion or retention of a business within the City
 - Create 15 or more full-time positions which meet or exceed the average wage level within the City of Sandy Springs (2016: \$72,000)
 - Provide new capital investment equal to or in excess of \$1.0M (not including furniture / fixtures and equipment)

Existing Incentive Program

- Available Incentives:
 - Expedited Permitting
 - Waiver of Permit/Impact Fees
 - Waiver of Business and Occupation Taxes (up to 3 years, depending on thresholds met)

	Tier I	Tier II	Tier III
Number of New Jobs Created	15 – 26	26 – 99	100+
Amount of Capital Investment	\$1 million	\$1.01 million to \$5 million	\$5.01 million+
Number of Years Commitment	4	7	10
Business Occupant Tax Waiver	1 year	2 years	3 years

Existing Incentive Program

- Important component of the City's overall economic development plan
- Council approved 14 incentive requests since 2011; all companies ultimately located in Sandy Springs
 - \$218M in capital investment, 1,950 jobs retained, 3,480 new jobs
 - 11 companies signed agreements, \$2.7M in fees waived
- Program is competitive with other jurisdictions in the metro Atlanta area for corporate users
- However, existing ordinance does not address small business or redevelopment goals of the City

Proposed Incentives for Retail / Hospitality Businesses

PURPOSE: Attract retail / hospitality projects in redevelopment areas of the City

ELIGIBILITY REQUIREMENTS AND CRITERIA:

- Job creation and capital investment thresholds would be lower than existing incentive policy
- Location limited to redevelopment areas

AVAILABLE INCENTIVES: Same as other business incentives

- Expedited Permitting Process
- Waiver of Permit/Impact Fees
- Waiver of Business and Occupation Taxes

Proposed Incentives for Retail / Hospitality Businesses

APPROVAL: All incentives approved by City Council.

COMPLIANCE: Same as other business incentives

- Written agreement with developer to meet the performance criteria:
- Create jobs and comply with wage requirements
- Make capital investment in real property as agreed.
- Comply with all applicable governmental laws, rules and regulations.
- Comply with any other terms and conditions imposed by the written agreement.
- Require an annual compliance affidavit from company
- The City reserves the right to audit a project. If the performance criteria is not met or is altered significantly, the City may require the incentive to be repaid in full or in part, as provided in the written agreement.

Proposed Incentives for Retail / Hospitality Businesses

		Tier I	Tier II	Tier III
Minimum Criteria	Number of New Jobs Created	5	10	15
	Amount of Capital Investment	\$250,000	\$500,000	\$750,000
	Number of Years Commitment	4	7	10
	Location	Redevelopment Zone	Redevelopment Zone	Redevelopment Zone
Incentives Available	Business Occupant Tax Waiver	1 year	2 years	3 years
	Expedited Permitting	Yes	Yes	Yes
	Building Fee Waiver	Yes	Yes	Yes
	Impact Fee Waiver	-	-	-

Affordable Housing Incentive Policy

PURPOSE:

- Provide incentives to encourage a mix of uses and range of housing options in areas appropriate for redevelopment and to expand the City's affordability to middle-income residents, provide support for seniors and other special-needs populations.

ELIGIBILITY REQUIREMENTS AND CRITERIA:

- Any housing project that proposes to create at least 150 new or replacement housing units and at least 20% of the units will be made available to individuals or families with annual incomes of no more than 120% of the annual median income of all households in Sandy Springs; or
- Any housing project of at least 150 housing units that proposes to replace at least 150 existing rental housing units with no less than 75% of the units intended for home ownership.

Affordable Housing Incentive Policy

AVAILABLE INCENTIVES:

- Waive all permit fees associated with construction, plan review and impact fees of the project.
- Expedited permitting not available for housing projects. Businesses often need this incentive because of the nature of decision making for economic development projects. However, housing projects do not need and could result in unreasonable demands on Staff.

APPROVAL:

- All incentives approved by City Council.

Affordable Housing Incentive Policy

COMPLIANCE:

- Written agreement with developer to meet the performance criteria:
 - Make capital investment in real property as agreed.
 - Comply with rental/ownership ratios, and income level requirements for 20 year period
 - Comply with all applicable governmental laws, rules and regulations.
 - Comply with any other terms and conditions imposed by the written agreement.
- Require an annual compliance affidavit from company
- The City reserves the right to audit a project. If the performance criteria is not met or is altered significantly, the City may require the incentive to be repaid in full or in part, as provided in the written agreement.

Next Steps

- Feedback
- Council approval of incentive policies